



**BRIEFING: AUGUST 12, 2014, BOARD MEETING AGENDA ITEM #6**

**TO:** Chairman Richard and Board Members

**FROM:** Scott Jarvis, Deputy Chief Program Manager

**DATE:** August 12, 2014

**RE:** Award of Contract for Project and Construction Management Services for Construction Package 2-3

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**Background**

Pursuant to Board Resolution #HSRA 13-34, approved on December 5, 2013, the California High-Speed Rail Authority (Authority) issued a Request for Qualifications (RFQ) in April of 2014 to procure a contract for Project and Construction Management (PCM) services for Construction Package 2-3 (CP 2-3) in accordance with the Board's policy on issuance of RFQs. Resolution #HSRA 14-15, approved on June 3, 2014, allowed the Authority to amend the scope of work outlined in the RFQ to include Independent Checking Engineer (ICE) and Independent Site Engineer (ISE) services and to modify the RFQ contract compensation range to \$65,000,000 to \$85,000,000 to account for these additional tasks.

CP 2-3 extends approximately 65 miles in the Central Valley from south of Fresno to north of Bakersfield and is the second procurement of the First Construction Segment. The purpose of the RFQ for the PCM services contract is to obtain crucial management of the design-build contract, under the direction and support of the Authority. Additionally, vital ICE and ISE services related to the design-builder's work will be provided by a subcontractor through the PCM contract.

**Discussion**

*RFQ Process*

The RFQ was issued on April 3, 2014, and has been managed directly by Authority staff consistent with the State's competitive Architectural & Engineering procurement process, including Government Code, Sections 4525-4529.5. Five offerors submitted a Statement of Qualifications (SOQ) on June 25, 2014 as follows: (1) ARCADIS U.S. Inc.; (2) HNTB/Mendoza/Nolte, a Joint Venture; (3) Hill International; (4) CALTROP Corporation; and (5) PreScience Corporation.

### *Evaluation Process*

The SOQs were reviewed and evaluated by Authority staff in accordance with the Authority's administrative regulations, policies, and procedures. The Evaluation Selection Committee scored the five SOQs pursuant to the criteria from the RFQ shown here:

| <b>Criteria for Awarding Points for the Statement of Qualifications</b> |  | <b>Maximum Score</b> |
|---|--|----------------------|
| 1.  | <b>PAST PERFORMANCE AND EXPERIENCE</b> <ul style="list-style-type: none"><li>Has the Offeror successfully delivered on past projects of similar scope and complexity?</li><li>Are ICE/ISE qualifications demonstrated?</li><li>Has the Offeror demonstrated successful partner and collaboration in a team environment on past projects of similar scope and complexity?</li></ul>   | 30                   |
| 2.  | <b>ORGANIZATION AND KEY PERSONNEL</b> <ul style="list-style-type: none"><li>Does the proposed project organization present a clear and logical framework?</li><li>Is the management approach complementary and responsive to the RFQ requirements? Does the staffing plan convey the proper level of response for the work at hand?</li><li>Does it demonstrate a high level of commitment and resource availability?</li><li>Does it address the full expanse of potential tasks in the scope?</li></ul> <b>KEY PERSONNEL AND ROLES</b> <ul style="list-style-type: none"><li>Are the personal qualifications and professional skills of the project manager, senior professionals and Key Personnel nominees appropriate for the roles assigned?</li><li>Is their past experience applicable and indicative of success on this project?</li><li>Does the project manager have sufficient authority within his organization to effectively lead and manage the project?</li><li>Are the ICE/ISE structure and personnel qualified and organized to effectively respond to the required reviews and certify the design?</li><li>Are the assumptions used to generate the ICE/ISE level of staffing reasonable?</li></ul> | 30                   |
| 3.  | <b>UNDERSTANDING OF PROJECT REQUIREMENTS</b> <ul style="list-style-type: none"><li>Has the Offeror demonstrated a thorough knowledge of the project?</li><li>Has the Offeror demonstrated a thorough knowledge of what is required to monitor and measure performance of the Design-Builder?</li><li>Is there sufficient evidence of analysis to lend credibility to the commitments made?</li><li>Has the Offeror given clear evidence through narratives and examples of prior work that it has the capability to carry out the PCM Services for a project of this complexity and magnitude with autonomy?</li><li>Is the ICE/ISE role clearly described and understood?</li><li>Has the Offeror demonstrated the ability to partner and collaborate in a team environment with the Authority, the Design-Builder, Third Parties, and other stakeholders?</li></ul>  | 30                   |
| 4.  | <b>SMALL BUSINESS PARTICIPATION</b> <ul style="list-style-type: none"><li>Does the approach to Small Business utilization demonstrate the Offeror's responsiveness in meeting the Authority's Small Business goal objectives? Scoring will be based on percentage of goal met.</li></ul>   | 10                   |

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|----|--|-----|
| 5. | <b>SOQ Transmittal Letter signed by an authorized Officer</b><br>(Pass/Fail – must include but no points scored) | N/A |
|----|--|-----|

Based on these criteria, four of the five offeror teams were invited to interviews/ discussions held on July 15, 2014 to further the evaluation process and serve as the basis for ranking the offerors. The teams participating in the interviews/discussions were as follows: (1) ARCADIS U.S. Inc.; (2) Hill International; (3) CALTROP Corporation; and (4) HNTB/Mendoza/ Nolte, a Joint Venture.

This process consisted of a presentation from each offeror team, followed by questions and answers. These discussions/interviews were scored on the following criteria shown in the RFQ as follows:

| <b>Criteria for Evaluation of Discussions/Interviews</b> |  | <b>Maximum Score</b> |
|--|--|----------------------|
| 1.   | <b>STATEMENT OF QUALIFICATIONS (carry over)</b>  | 40                   |
| 2.   | <b>PRESENTATION</b> <ul style="list-style-type: none"> <li>• Quality and appropriateness of the presentation</li> <li>• Logic of the chosen speakers relative to project challenges</li> <li>• Project manager control over the team</li> </ul>  | 15                   |
| 3.   | <b>PROJECT MANAGER PARTICIPATION</b> <ul style="list-style-type: none"> <li>• Quality of presentation and responsiveness to questions</li> <li>• Understanding of PCM challenges and requirements</li> <li>• Perceived level of involvement with SOQ structure, content and presentation plan</li> </ul>   | 15                   |
| 4.   | <b>KEY STAFF PARTICIPATION</b> <ul style="list-style-type: none"> <li>• Quality of presentations and responsiveness to questions</li> <li>• Understanding of assignment challenges and requirements</li> <li>• Perceived level of involvement with SOQs preparation</li> </ul>   | 15                   |
| 5.   | <b>UNDERSTANDING OF PROJECT</b> <ul style="list-style-type: none"> <li>• Does Offeror convey an understanding of the critical project success factors?</li> <li>• Is the Offeror able to provide evidence of successful small business utilization for this project?</li> <li>• Is the Offeror able to provide evidence of prior project experience with challenges of this magnitude and complexity?</li> <li>• Is the Offeror candid about any project failings that have been instructive for addressing the particular needs of this project?</li> </ul> | 15                   |
| <b>Total:</b>  |  | <b>100</b>           |

After the process was completed, the final score of the four teams was as follows: 1) 90.6% - ARCADIS U.S. Inc.; (2) 82.4% - HNTB/Mendoza/ Nolte, a Joint Venture; (3) 80.2% - Hill International; and (4) 75.7% - CALTROP Corporation.

### *Negotiation Process*

As outlined in the RFQ, notice was provided to all four teams of their ranking order and negotiations commenced with ARCADIS U.S. Inc. (ARCADIS), who was the top ranked offeror. After a series of meetings and proposals, the negotiations with ARCADIS were successful and an agreement on a price in the amount not to exceed \$71,864,691.00 was reached.

ARCADIS is a respected leading global natural and built asset design and consultancy firm delivering exceptional and sustainable outcomes through the application of design, consultancy, engineering, project, and management services. The company has experience in managing PCM services that are expected under this contract.

The contract issued for PCM services for CP 2-3 will include the Board-adopted 30 percent Small and Disadvantaged Business (SBE) participation goal adopted by the Authority Board of Directors. Authority staff is pleased to report that ARCADIS has set the following SBE participation compliance goal: SBE Program % = 30.5% overall, including DBE % = 15.6% and DVBE % = 4.8%.

Authority staff now seeks the Board's approval to award the PCM services contract for CP 2-3 to ARCADIS, including the subcontracted work by the ISE/ICE. If approved by the Board, the CEO or his authorized designee, on behalf of the Authority, would then enter into a contract with ARCADIS.

### **Recommendation**

It is the recommendation of Authority staff that the Board approve the award of the PCM services contract to ARCADIS in an amount not to exceed \$71,864,691.00 for approximately five years, which includes a term of one year past substantial completion of the CP2-3 design-build contract.

### **Attachments**

- Resolution HSRA # 14-24